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IRDAI's proposal to modify handy customer information sheet includes mention of sum insured, type of policy, free-look period and turnaround time

Soon, health insurance policyholders will be able to access key details of their voluminous policy documents in a simple-to-follow sheet.

The Insurance Regulatory and Development Authority of India (IRDAI) has proposed changes to the existing format of the customer information sheet (CIS) that insurers have to provide with policy documents at the time of purchase and renewal.

If finalised, this simplified document will make it easier for policyholders to understand complex clauses, claim procedures and requirements. "Compared to the CIS template that is currently in use, the language has been simplified further. This will help customers be aware of what she has purchased. The exposure draft is in favour of the customer. The terms and conditions as well as rights are explained in non-technical language," says Bhaskar Nerurkar, head, health insurance administration team, Bajaj Allianz General Insurance.

At present, insurance companies follow the template set in 2020, when CIS was introduced as a part of guidelines on product filing in the health insurance business. "In 2020, the IRDAI first tried to standardise the CIS format. Policy formats could differ across insurers, so a uniform CIS helps policyholders ascertain what exactly they are being offered," says Sudip Indani, head, health and benefits, Howden Insurance Brokers.

Here are the key features of this CIS that will help you navigate the health insurance maze.

### **Free-look period**

Even after the policy is issued and documents delivered to your house, you have the option of 'returning' it if you notice a gap between promises and actual offerings. You can do so during the initial 15-30 days of receipt of policy docket. As per IRDAI's proposal, companies will now have to specify this period on the CIS.

### **Sum insured and type of policy**

Despite being the offering for which premium is being charged, the sum insured does not form part of standardised CIS format currently. As per IRDAI's draft, the new CIS will have to specify the sum insured or cover amount under individual as well as family floater policies. The document will also make it clear whether the policy operates on the reimbursement principle, where hospitalisation expenses are reimbursed to the extent of the sum insured, or is a defined benefit cover which pays out a pre-agreed sum upon diagnosis.

#### **Turnaround time**

At present, the CIS does not require health insurers to specify the timeframe for paying claims. This will change if the proposals are implemented. "Insurance companies will have to mention the turnaround time that customers can expect for claim settlement in the CIS," says Indani.

### **Waiting periods, exclusions and deductibles**

These clauses will directly impact your claim settlement and, hence, form part of the current as well as proposed CIS. Waiting periods come into the picture for certain procedures such as hernia or cataract in the initial 1-2 years, while for pre-existing diseases they can go up to four years. That is, claims related to such illnesses will not be paid during the waiting period. Insurers also have to mention the exclusions, or expenses that will not be paid for, and deductibles—the amount that you have to shell out before the insurer settles the claim. "A CIS provides a quick summary of key clauses. So, even if you do not have time to go through the detailed policy document, you should study at least the CIS carefully," says Abhishek Bonda, principal officer and CEO, Securenow Insurance Brokers.

### **Grievance redressal**

The document will also contain contact details of the company's grievance redressal officers as also IRDAI-appointed ombudsman offices. Thus, customers have a handy reference to raise and escalate their complaints.

### **Portability and migration**

The insurance company will have to detail the process for migration to another product or port-out to another insurer. Currently, the insurer is only required to mention the email IDs and addresses of the company officials who need to be contacted if a policyholder wishes to switch to another insurer.

### **Know your responsibilities**

Besides your rights and insurer's duties, you also need to understand your responsibilities. "For instance, it is your obligation to declare any pre-existing diseases that you may have been diagnosed with at the time of buying or porting the policy," says Nerurkar.